

SBA ONE

LOAN ORIGINATION SOLUTION

LOS April 21, 2017 Release 3.2 Highlights

About the Business

- *Size Standard* – In the *Alternative Size Standard Details grid*, a negative amount can be input for *Avg. net income over last 2 fiscal years (\$)*.
- *Franchise* – *Franchise Agreement Date* may be selected from system calendar or manually entered. Enhanced validations were implemented to ensure proper date retention:
 - “*Either the date or the date format (mm/dd/yyyy) is wrong.*”
 - “*Date has to be less than or equal to the system date; cannot be a future date.*”

About the Principals / Guarantors

- If the *Legal Entity Type* of the *Borrower* or *Co-Borrower* is “Individual”, then the *Principal* with 100 % Owned is not required to be a *Guarantor* in the *Details Window* (■ ■ ■).
- If the response to either of the following questions is “Yes”, then the “*The principal is required to complete form 912*” and the question “*The individual that answered ‘Yes’ to any of the above two questions is currently on parole or probation?*” will be displayed:
 - “*Has the principal been arrested in the past six months for any criminal offense?*”
 - “*For any criminal offense - other than a minor vehicle violation - has the principal ever:*
 1. *Been convicted;*
 2. *Plead guilty;*
 3. *Plead nolo contendere;*
 4. *Been placed on pretrial diversion; or*
 5. *Been placed on any form of parole or probation (including probation before judgment)?*”

Financial Needs

- If the requested loan amount is \$350K or less, “7a Short-term” has been removed as an option from the “How is the loan being proposed to be submitted?” loan program type selection menu. 7(a) Short Term loans can be submitted under any 7(a) loan program type by Lenders with an active Loan Guaranty Agreement (Deferred Participation) for Short-Term Loans, SBA Form 750B.
- For the following real estate construction use of proceeds, if the response to “Is the loan for construction of (or the refinancing of the construction for) a new building?” is “Yes”, then SBA One will pose the question “Is the construction loan you are refinancing same institution debt?”:
 - Construct a Building
 - Add an Addition to an Existing Building
 - Make Renovations to an Existing Building
 - Pay off Interim Construction Loan

If the response to the question “Is the construction loan you are refinancing same institution debt?” is “No”, then the loan can be submitted under delegated authority.

- If the *Business Acquisition* use of proceeds for *Purchase Business (Change of Ownership)* is modified, SBA One validates the *Change of Ownership Particulars* to ensure that the *Sources* and *Buyer’s Equity Contribution* still add up to the *Total Amount Paid to Seller*. Lender is required to modify these *Total Amount (\$)* values as necessary.



Terms & Conditions

- For *Interest Rate* selection “Fixed Rate”, SBA One will display the *Base Rate Index* used to calculate the *Maximum Allowed Fixed Interest Rate (%)* based on the *Loan Program Type* selected under *Loan Terms*:
 - “SBA Express” – *Base Rate Index* of “Wall Street Journal Prime Rate”
 - “Community Advantage” – *Base Rate Index* of “Wall Street Journal Prime”
 - 7a loan program types (PLP, Standard, CLP) – *Base Rate Index* of “SBA Fixed Base Rate”
- Enhanced validations to enforce that *Maturity Period* plus *Interest Only Period (months) (exclude Maturity Period)* may be less than or equal to 12 months only if the Lender’s Location ID has an active Loan Guaranty Agreement (Deferred Participation) for Short-Term Loans, SBA Form 750B. 7(a) Short Term loans can be submitted under any 7(a) loan program type.
- Enhanced validations for *Type of Loan* selection “Term” to enforce that *Maturity Period EXCLUDING Interest-Only Period (if any)* must be greater than or equal to 2 months (combination of *Years* or *Months*):
 - Term loans may not solely have a value for *Interest Only Period (months) (exclude Maturity Period)*.
 - Terms loans may not have a balloon payment at the conclusion of an interest-only period (if any).

- The *Interest Rate* selection “Variable Rate – Multiple Fluctuation Periods” is now called “Multiple Rate Adjustment Periods”. If “Multiple Rate Adjustment Periods” *Interest Rate* is selected, SBA One will require the user to select the *Interest Rate Structure* from the below options:
 - “2 phases: Fixed, then Variable”
 - “2 phases: Variable, then Fixed”
 - “2 phases: both variable, but with different terms”

Based on the selected *Interest Rate Structure*, the system will require the user to provide the *First Period Details* and *Second Period Details*. *Base Rate Index* may be selected as applicable and both periods are now included in the Submit to E-Tran transmission.

Collateral

- If the response to *Secured by guarantor(s)*: in the *Collateral Type's Details Window* () is “Yes”, then a unique list of secured guarantors based on tax id will be displayed for selection. Secured guarantors are identified by a “Yes” response to “Is Guaranty Secured?” in *About the Principals / Guarantors*. Each secured guarantor is required to be associated with at least one *Collateral Type*.
- The response to “Is the lien amount required to be limited?” can now be “Yes” regardless of loan size and whether or not the loan is fully secured for the following real estate collateral types:
 - Real Estate Commercial – Investment
 - Real Estate Commercial – Business
 - Real Estate Residential
 - Real Estate Acreage Undeveloped
- Collateral Type* & sub-type selections have been mapped to the E-TRAN Code Tables. *Collateral Type(s)* categorized by E-TRAN as “Personal Property” will require *Property Type* to be selected in the *Collateral Type's Details Window* (). With the exception of the following *Collateral Type(s)*, only the supported E-TRAN collateral sub-types will be available for selection in the *Underwriting* detail pages:

Collateral Type	Mapped E-TRAN XML Sub-type
“Leasehold Interest in Real Estate”	Leasehold Security Interest in Building Constructed on Lease Land
“Building on Leased Ground”	Leasehold Security Interest in Building Constructed on Lease Land
Real Estate, Acreage Undeveloped”	Lien on Land and Improvements

Insurance

- Resolved issue where the “Life Insurance” checkbox was not available for selection under *Select Other Insurance Types (as applicable)* on the *Insurance* page.

Documents

- The system generated *Draft Authorization* has been updated to reflect the Terms and Conditions of the selected *Interest Rate Structure*.
- Effective LOS April 28, 2017 Release 3.2.1
 - The system generated draft authorization will only include the Landlord Waiver clause if the response to “Is the business/collateral located on leased premises?” is “Yes”.
- The system now supports manual upload of the following documents:
 - *T10 - Other Supporting Docs : Documentation of Lawsuits and Judgements*
 - *T10 - Other Supporting Docs : Bankruptcy for principals*
- Removed the following documents from the streamlined minimum SBA One document requirements for eligible non-delegated 7a Small Loans:
 - T4 - Owner or Operator Personal Information: Personal Financial Statements (SBA 413)
 - T6 - Applicant's Business Financials: Business Financial Statement

E-TRAN XSD 5.0

- Expanded Submit to E-TRAN standards to include additional optional data elements from SBA's XSD 5.0 schema.
- Mapped collateral types and collateral sub-types in the E-TRAN XML to the E-TRAN Code Table values.

PARRiS

- Introduced *Download Loan Level Data* feature. While viewing the *Current Quarter* of the PARRiS Scorecard, the user can download to Excel the applicable loan level data set.
- Updated *PARRiS Risk* metrics to reflect the revised names from the OCRM Lender Profile Assessment.
- Resolved formatting issue with the *Forecasted Purchase Rate* metric when using the *Export to Excel* or *Export to PDF* functions.